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BOOK REVIEWS AND NOTICES

Essays in Social Justice. By THOMAS NIXON CARVER. Cambridge: Harvard University Press, 1915. 8vo, pp. 429. \$2.00.

Justice, says Professor Carver, is sympathy with a long look. To many a tender-hearted reader there would seem to be an utter ruthlessness about this volume—in its doctrine that morality is power, that the duty of society is not to aid the weak but the strong; in its scorn of the feeble “democracy” of politics and its faith in the democracy of competitive struggle and achievement, etc. And yet, if the tender-hearted reader is of the discriminating sort, he will not remain long of this opinion. The volume is strong with that finest of sympathies—the sympathy that, impatient of sham solutions and surface sentimentalities, unsparingly cuts away to the heart of the human situation. Let us be frank about it, says the writer: virtue is not what we happen to like; it is what we must like if, as a group, we are to survive. The whole moral problem is a problem of adaptation and adjustment. “Anything which facilitates in the adjustment of man to the universe is, for man, good.” It is beside the point indeed to ask whether the order of the universe is moral or not: “Whatever the order of the universe happens to be, that is the moral order.” Whatever therefore inevitably tends to be, whatever in the long run can survive, is right. “Virtue and strength therefore are identical . . . and strength is not to be defined according to some of our perverse notions, but according to the ability to make itself universal.”

There is something finely bracing about this unhesitant grounding of morals on nature. At a stroke, the two-world theory of morals, so dear to the heart of the supernaturalist, disappears; and the moral adventure of humanity becomes simply a voyage of discovery and of conquest in the natural world common to us all. We are prepared then to follow the writer in his search for the fundamentally determining condition of our natural life, and to accept without squeamishness his conclusion that the condition lies herein, that each man must, if he would live, in some manner covet his neighbor's goods. Scarcity, in other words, is the outstanding and continuing fact of our life; and where there is scarcity, there is inevitable conflict.

Here we are, then, at the bed-rock of our moral life. Economic scarcity is the ultimate basis of all social conflict and therefore of all morality. The clear establishment of this point gives the book its peculiar value for the social ethicist. Social ethics has too often talked platitudes about economic matters, or has safeguarded its approach by a glorious ignorance. Professor Carver shows clearly that there can be no social ethics worthy of the name that does not base itself upon the economic problem as fundamental.

Justice, then, is the adjustment of conflicting interests. But it is more than that. It is such an adjustment as makes for the strength of the group. This leads in due course to the further question: What forms of conflict weaken and what strengthen the group? In answer to this, the author enters upon the central task of his book, the analysis of competition into its socially beneficial and harmful forms. Competition may be of such a nature that the individual, in enriching himself, impoverishes others. Such competition, from the point of view of group-survival, and therefore of morals, is bad and should be socially suppressed. Or competition may be of such a nature that the individual in enriching himself contributes to the wealth of others. Such competition, inasmuch as it makes for group-survival, is good and should be encouraged.

The author has no illusions upon the matter of "free competition." There is no "invisible hand" harmonizing self-interests. Some self-interests do not and cannot harmonize; and in so far as in their conflict they weaken the social group they are to be rigorously suppressed. Here is the ground, of course, for social interference with the competitive process. "A nation must discriminate sharply between the economic and the uneconomic ways of acquiring wealth and must suppress absolutely all uneconomic ways." The author draws from this a conclusion significant for the social ethicist: if the state suppressed all uneconomic ways of acquiring wealth, every individual, in acting in his own self-interest, would, as a matter of fact, be acting precisely in the interest of others. The harmonization of "egoism" and "altruism," in short, depends upon the governmental elimination of harmful modes of competition. Thus in a neat modernization of Adam Smith, the author concludes, "*Under proper government interference and control* [italics mine] men are led as by an invisible hand to promote the public interest while trying to promote their own."

The problem then is to discover the uneconomic forms of competition. Among the most prominent of these, according to the author, is political

competition. In a remarkably keen analysis, Professor Carver shows that industrial competition is really more accurate in its adjustment of merits than political competition, and that the tendency, as in thorough-going collectivism, to substitute the political method of rivalry for the industrial is one fraught with grave danger to social values. Democracy lies not primarily in voting by the mass. It lies rather in the achievement of two conditions: (1) that there be an open road to talent; (2) that "they who are in power and responsibility shall be made sensitive to the needs, the desires, and the interests of those over whom they exercise power and responsibility."

The achievement of these conditions again lies in the discovery and elimination of the uneconomic forms of competition. The writer distinguishes between three forms of competition: competitive production; competitive bargaining; and competitive consumption. The first always works well; the second sometimes; the third never. "Competition is ethical when it is played for the sake of production: if it is played for the sake of consumption it is unethical." The first the writer aptly calls the work-bench philosophy of life; the second, the pig-trough philosophy. Professor Carver finds the fundamental hope for society in the assumption of the right philosophy of life by competitors—the philosophy of the productive life. "Let the community become dominated by the work-bench philosophy . . . then competition . . . loses its unethical and un-Christian character."

And yet, here again he is under no illusions. He has no thought that the world is to be moralized simply by the transformation of the character of individuals. Certain forms of uneconomic acquisition of wealth must be rigorously suppressed by governmental power. These he finds in the main, to be three: wealth accruing through a rise in land values; inherited wealth; and wealth resulting from monopoly profits. The remedy for the first is the increased taxation of land values; for the second, a heavily graduated inheritance tax; and for the third, a control of monopoly prices.

But a further factor making for uneconomic competition is the ill proportioned distribution of human talent. For the redistribution of human talent there is necessary, first, an increase in the supply of the higher or scarcer forms of talent. This is to be accomplished through (*a*) vocational education; (*b*) the cutting off of incomes which support capable men in idleness. There is necessary, secondly, a decrease in the supply of the lower or more abundant forms of labor. This is to be accomplished by the restriction of immigration; restriction of marriage

(elimination of defectives; requirement of minimum standard income); minimum wage law; standardization of dwellings. For the increase in material equipment, there is to be not only the increase of accessible land through the higher land tax, but an increase in the supply of capital through safety of investments, more flexible credit institutions, and a general encouragement of thrift and savings.

The problem of poverty, according to the author, roots in the ill-proportioning of land, labor, and capital. Over-abundance of supply in any one labor field makes labor cheap. The only hope for the cure of poverty is such a redistribution of labor power as will make labor scarce and dear in all its fields. This, as indicated above, is to be accomplished, fundamentally, by adequate vocational training, not simply of the more elementary kind which makes skilled handicraftsmen, but of the kind which develops talents for the highest types of managerial or creative occupation. The significance of the author's treatment of the ills of maladjustment lies in his frank departure from the hedonistic particularism of the traditional economics and his adoption of a philosophy which finds its values in group survival.

Such in broad outline is the argument of the book. Such an outline, however, does but scant justice to the vigor of the reasoning or the fine keenness of the discriminations. For the social philosopher, the book must prove to be of high value inasmuch as it presents a penetrating economic analysis which is at the same time a human evaluation. And yet the social philosopher will doubtless find aspects of the book that are not wholly to his liking. Penetrating, for example, as is the analysis of the "undemocracy" of mass voting, there is lacking in the author's whole treatment of politics a sufficient appreciation of the human values involved in the processes and development of the state. The arguments that prove collective action and ownership of dubious worth in a present form of political life would doubtless fall before a more adequate conception of state organization. Again, there is little recognition throughout the book of the new values that emerge and the new economies that are won through certain forms of "pooling" individual recourses—public schools, parks, streets, social insurance, etc. Nor is there any adequate recognition of the principle that while distribution should be in terms of merit, such distribution should rest upon the basis of a more fundamental allotment of social wealth in terms of needs, as, for example, in the case of education, where needs cannot be fulfilled through individual effort or resource. Nor, again, is there a sufficiently clear grasp of the psychology of group ownership—the development of a new type of

consciousness that increasingly finds its joys and its loyalties in the common life.

One hesitates, however, to express such criticisms as these, for the book is of such stimulating value to the social philosopher, its whole plan of constructive democracy is so sane, and far-reaching that one's impulse is to give voice to unqualified admiration. And yet one makes the criticisms perhaps in the wish that Professor Carver might be even more valuable than he is to social philosophy.

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Railroad Accounting. BY WILLIAM E. HOOPER. New York: Appleton, 1915. 8vo, pp. xi+461. \$2.00.

The author of this work is an associate editor of the *Railway Age Gazette*. Apparently he has had a fairly wide general experience with railroads, including at least some direct contact with the accounting, statistical, and financial organization of two or three companies. He has used railway statistics extensively for editorial purposes, and so has learned how to present technical matters in a non-technical way. The book, therefore, is interesting and suggestive, and is well worth reading by anyone caring for railway economics and finance.

The book contains fifteen chapters, a short table of contents, and an index. The first two chapters outline the information that accounts should furnish and present the general principles of debits and credits. Chaps. iii-ix make a broad survey of the accounting classifications prescribed by the Interstate Commerce Commission for interstate roads. A chapter is devoted to the distinction between operating expenses and capital charges, and it presents the Commission's classification of investment in road and equipment. There is a separate chapter for each general division of operating expenses, giving in each case the official classification, and a single chapter is devoted to the income, profit and loss, and balance sheet statements, again presenting the Commission's classifications. Chaps. x-xiii describe the accounting department organization, the auditing of the passenger and freight revenues, and the auditing of disbursements. Chap. xiv outlines the work of the treasurer's office, and the final chapter discusses the allocation of revenues and expenses as between the freight and passenger service.